

UNREGISTERED

3 January 1947

MEMORANDUM FOR THE DIRECTOR:

Subject: Year-End Report by the Director of Central Intelligence to the National Intelligence Authority.

I believe it appropriate at this first NIA meeting of the new year to give you a very brief report on the current status of CIG. I have prepared to do this under headings corresponding to the various subdivisions of CIG so that you will be better able to understand the organization as well as the activities of CIG.

PERSONNEL AND ADMINISTRATION OFFICE

Budget. On December 20, 1946 the Director of the Bureau of the Budget informed me that approval had been granted for a CIG budget for the fiscal year 1948.

Steps are being taken to correlate all the information necessary for the budget hearings before the Congressional Appropriations Committees which it is hoped will be in executive session with any testimony on highly classified material held to an absolute minimum.

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As I have informed you before, the CIG Staff for Interdepartmental Coordination and Planning has been holding a continuing series of inter-agency meetings in the endeavor to accomplish the President's desire "that all Federal foreign intelligence activities be planned, developed, and coordinated so as to assure the most effective accomplishment of the intelligence mission related to the national security." At most of these early meetings, CIG encountered, particularly among subordinate agency officials, a resistance to cooperative undertakings and a strong reluctance to tackle the more fundamental problems of coordination. This desire of the agencies, at least as reflected by their representatives, appeared to be that such problems as the coordination in the general collection field and in the Washington production of finished intelligence should not be touched and that CIG should limit its attention to those subjects which I classify as cats and dogs. These cats and dogs are all, or almost all, minor and unrelated problems which CIG believed would solve themselves if basic policies and objectives were agreed to.

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Despite a similar injunction to CIG in NIA No. 1, no such arrangement has yet been possible with the JCS although the problem of JIC-CIG relationship is still under consideration.

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The Collection Branch of OCD is now in operation and is processing for the agencies an increasing number of collection requests every month.

So far, seven Government agencies outside of CIO are requesting collection action by CIO. As the program develops, this service will be extended to all Government agencies concerned in the national security.

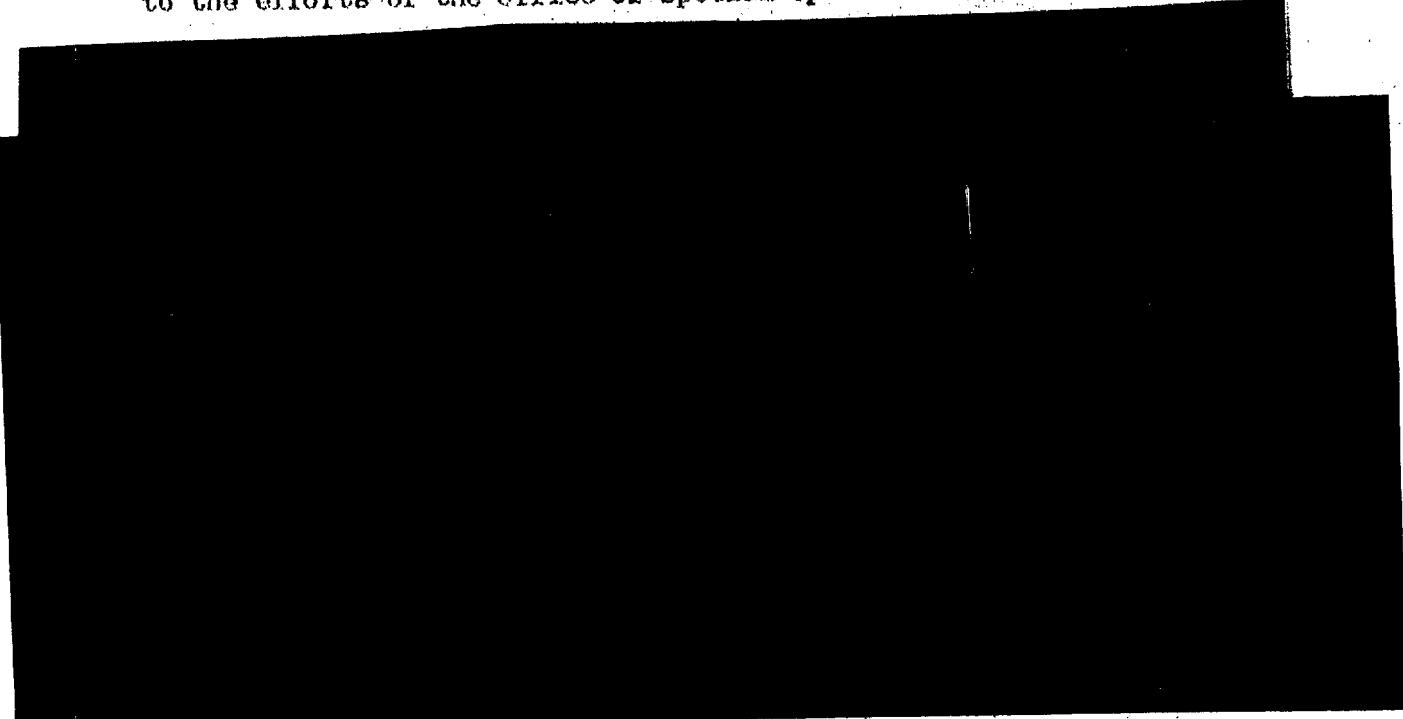
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Dissemination. Even the best possible collection and production of foreign intelligence serves no purpose unless the intelligence gets to the proper hands, one of our principal efforts has been in dissemination. During the war, innumerable ad hoc and makeshift arrangements were developed in an attempt to meet this problem. CIO is working as rapidly as possible toward coordinating this effort. Gradually, over the past months, the several agencies of the Government have come more and more to call on CIO to assist in locating and supplying their required intelligence material. Plans are well under way to establish a system for the fastest possible interagency dissemination of incoming intelligence information.

National Intelligence Requirements. Perhaps the slowest progress of all has been encountered in developing what has been called "National Intelligence Requirements." At one of the first interagency meetings, it was agreed by all representatives present that the wartime procedure of undirected intelligence collection from any and all sources on any and all subjects must for budgetary reasons be replaced by some collection program. It was agreed that these programs should be prepared for each of the strategic areas of the world and revised on a quarterly basis. The idea was that although the program as developed in Washington would set forth the reasons for the collection specifications, the actual collection directives to field representatives

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Despite a similar injunction to CIG in NIA No. 1, no such arrangement has yet been possible with the JCS although the problem of JIC-CIG relationship is still under consideration.

OFFICE OF COLLECTION AND DISSEMINATION

Collection. You have recently received NIA Directive No. 7. This Directive is the statement of overall policies and objectives for the coordination of collection activities which I mentioned earlier. As you will have noticed, the implementation of this plan will go far toward insuring the fullest possible use of our collection facilities abroad, the reduction of unnecessary overlap and unproductive duplication. It places final field responsibility for all agency field representatives under the direction of the senior U. S. representative at each post and directs collectors' efforts into specified channels.

The Collection Branch of OCD is now in operation and is processing for the agencies an increasing number of collection requests every month.

So far, seven Government agencies outside of CIO are requesting collection action by CIO. As the program develops, this service will be extended to all Government agencies concerned in the national security.

I feel that our collection activities are an important contribution to the coordination and improvement of our overall collection procedures.

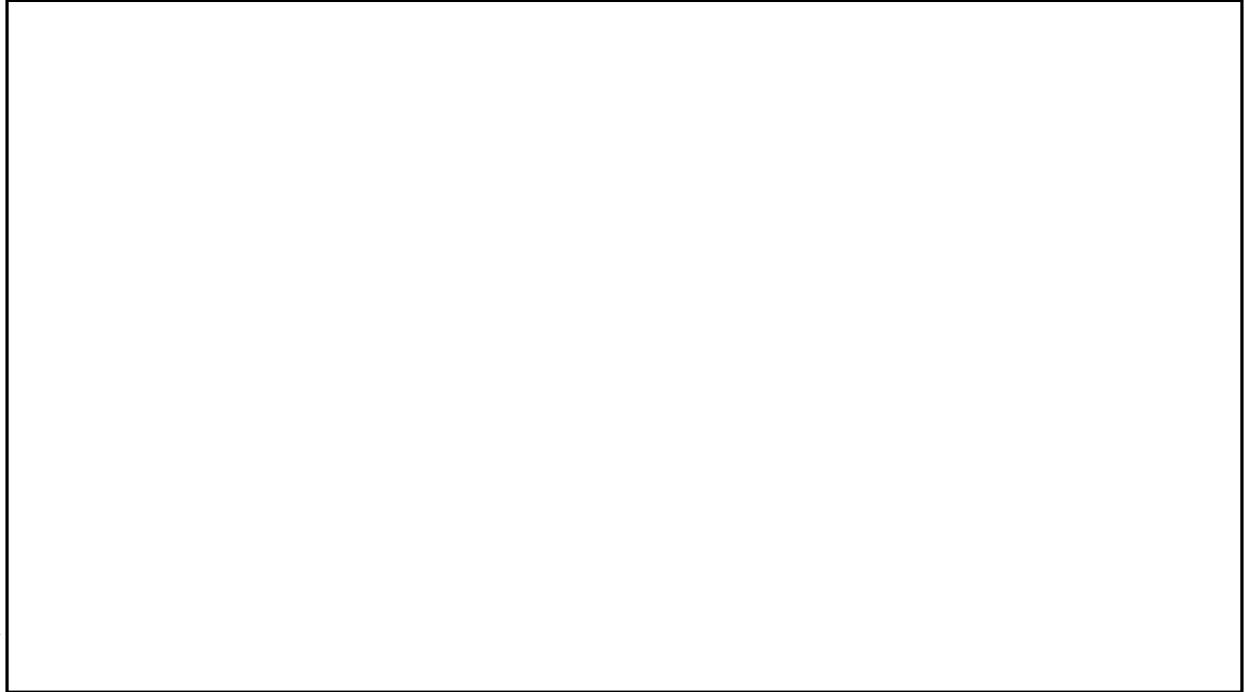
Dissemination. Even the best possible collection and production of foreign intelligence serves no purpose unless the intelligence gets to the proper hands, one of our principal efforts has been in dissemination. During the war, innumerable ad hoc and makeshift arrangements were developed in an attempt to meet this problem. CIO is working as rapidly as possible toward coordinating this effort. Gradually, over the past months, the several agencies of the Government have come more and more to call on CIO to assist in locating and supplying their required intelligence material. Plans are well under way to establish a system for the fastest possible interagency dissemination of incoming intelligence information.

National Intelligence Requirements. Perhaps the slowest progress of all has been encountered in developing what has been called "National Intelligence Requirements." At one of the first interagency meetings, it was agreed by all representatives present that the wartime procedure of undirected intelligence collection from any and all sources on any and all subjects must for budgetary reasons be replaced by some collection program. It was agreed that these programs should be prepared for each of the strategic areas of the world and revised on a quarterly basis. The idea was that although the program as developed in Washington would set forth the reasons for the collection specifications, the actual collection directives to field representatives

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would be so worded as to eliminate any danger of slanted reports to reinforce policies or of selecting material transmitted for the same purpose. A trial run was made on National Intelligence Requirements for China. All agencies submitted their quarterly requirements of current intelligence. CIG combined these four sets of requirements into a single overall document and the matter was presented to the TAB for approval. To date final clearance of the implementing directive has not been obtained and CIG has, therefore, been unable to take a planned next step of developing these requirements for other areas. It was expected that these statements of requirements would greatly facilitate the work of field agents and give a much needed direction to the efforts of the Office of Special Operations.

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Washington Document Center. At the request of the War and Navy Departments, CIG accepted the transfer to it as of December 1, 1946 of the Washington Document Center, an interservice document exploitation research library of Japanese captured documents formerly under the

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control of the Chief of Naval Intelligence. This collection has been described by authorities as the most complete documentation ever assembled on the Far East and Siberia and has since its establishment in this country been of immediate value in answering high priority strategic intelligence requirements of the several departments by providing information not available from any other sources.

CIG experience with this Center is being used to determine the advisability of complying with the War Department's request that two other captured document centers containing European documents be transferred to CIG.

Foreign Broadcast Intelligence Branch. Under CIG administration the former Foreign Broadcast Intelligence Service has continued to operate to meet the requirements of the several agencies for information on what the broadcasts of the other nations of the world are saying. Several innovations have been instituted to insure better coverage at lower cost and with faster dissemination. The average daily output approximates 60,000 words of broadcast texts.

The most pressing question to confront FBIB is the fact that the Signal Corps has advised us that beginning in February, it will start reducing the volume of FBIB traffic it transmits from Europe for us. By July 1947 this traffic will be completely discontinued. The solution to this problem has not yet been found.

CONCLUSION

In summary it can be fairly said that CIG has not developed with the speed which I had hoped for when I first became Director of Central Intelligence. It has encountered rough going from several quarters and has been impeded by a lack of clearly defined policy or

an unwillingness on the part of some agency representatives to accept that to others have been statements of clearly defined policy. This problem is gradually being met by the preparation and presentation of carefully stated "overall policies and objectives" which should result in a better planned, developed, and coordinated intelligence situation.

On the brighter side, I believe that I can rightly report that a great deal of successful groundwork has been laid in developing inter-agency understanding and mutual confidence, and appreciation of each other's problems. Over the months CIG has gradually built up its organization and procedures so that we are now truly an intelligence operative, even though in an early stage. And the agencies are calling more and more on CIG for intelligence services and centralized activities. As in most things, agreement among men of good will is possible here when the ghosts are chased out of the corners and an understanding light is directed on the problems. All the ghosts are not yet gone and some agency fears, jealousies, and mistrust are still to be eradicated, but there are indications of an increased tempo in our progress toward the full accomplishment of the President's Directive.

(Comment: Reference Military Affairs Committee Report  
Office of Special Operations)